



CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Imamuddin Shouqeen - Chairman Mr. Shahbaz Ali Malik - Director Saiyed Faiq Husain - Director / Chief Executive Mr. Malik Junaid Emam - Director Mr. Kamran Hussain Mughal - Director / Company Secretary
AUDIT COMMITTEE	Mr. Malik Junaid Emam - Chairman Saiyed Faiq Husain - Member Mr. Kamran Hussain Mughal - Member
SHARIAH ADVISOR	Mufti Mohammad Ibrahim Essa
COMPANY SECRETARY	Mr. Kamran Hussain Mughal
BANKERS	Albaraka Bank (Pakistan) Limited
AUDITORS	Avais Hyder Liaquat Nauman Chartered Accountant
LEGAL ADVISOR	Ghulam Mustafa Advocate Bukhari Law Associates
MANAGEMENT COMPANY	Popular Islamic Modaraba Management Company (Pvt.) Ltd
REGISTERED OFFICE	813, 8th Floor, Hasrat Mohani Road, Off. I.I.Chundrigar Road, Karachi.
SHARE REGISTRAR	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi



DIRECTOR'S REPORT

The Board of Directors of the Popular Islamic Modaraba Management Company (Pvt.) Limited, the Management Company of First Islamic Modaraba (the Modaraba) is pleased to present the Directors' Report of the Modaraba, together with Condensed Interim Half Yearly Reviewed Financial Information as on December 31, 2014 alongwith Auditors' Report thereon.

Review of Operations

The Modaraba's performance in the half year ended December 31, 2014 has been exceptionally well in comparison to the previous half year performance. By the grace of Almighty Allah, during the period under review the Modaraba's net profit increased by 70% from Rs.1.100 million to Rs.1.86 million, resultantly earning per certificate worked out to Re.0.19 as compared to Re.0.11 of the corresponding period of previous half year ended due to the efficient management of funds allocation. Gross revenue increased by 145% from Rs.2.93 million to Rs.7.211 million. The portfolio of Ijarah finance stood at Rs. 25.156 million compared to Rs. 15.02 million as on June 30, 2014, showing an increase of 67.39% within the six months period. The clientele has a good mix of multi-nationals, large and medium sized local corporate and selective SME relationships. First Islamic Modaraba has a well diversified asset portfolio comprising of Machinery, motor vehicles and equipment.

The Modaraba's main focus is on Ijarah financing. Moreover, with it all the more heartening to note that this accomplishment has been due to employing Modaraba's own equity and without indulging in any type of borrowing. Obviously, this has provided the necessary momentum to the Modaraba's management to further gear up their efforts to produce even better results in the future.

First Islamic Modaraba manages and monitors Shariah Compliance and risk exposure very prudently. The evaluation of borrower's credit profile including repayment ability is made at the time of grant of facility and regular oversight thereon.

The summarized financial results for the half year ended December 31, 2014 are as under:

	December 31, 2014 Rupees	December 31, 2013 Rupees
Income	7,211,706	2,936,642
Operating expenses	(1,895,007)	(1,692,189)
Depreciation of Ijarah assets	(3,750,608)	-
Profit before tax	1,868,709	1,100,096
Taxation	-	-
Profit after taxation	1,868,709	1,100,096
Earning per certificate	0.19	0.11

EXPLANATION IN REAGARD TO QUALIFICATIONS OF EXTERNAL AUDITORS' REPORT.

Kindly read note # 8.1, 10.2, 11.1 of the financial report of First Islamic Modaraba for the half year ended December 31, 2014 and qualifications a, b, c and d in the current half yearly Auditor's Review Report.

I. The new management of the Modaraba is confident and following up the recovery proceedings at the Court level, and are of the view that recoveries would be made in due course of time from the parties otherwise the said amount will be provided accordingly in the subsequent period.

II. The new management of the Modaraba is vigorously following up pending decrees at the Court level and is confident for the recovery of said amount.

III. Current management of the Modaraba has taken effective steps for resolution of tax issues and is in process of verification of the record with Federal Board of Revenue and is of the view that any discrepancy identified would be accounted for accordingly.



Future outlook

The current economic situation along with a very competitive environment for Islamic Financial Products has resulted in a very challenging outlook for the Modaraba. The Management of your Modaraba is proactively studying available options which would best protect and preserve certificate holders' interest in the future. We are making all possible efforts to do the best to augment the system and special emphasis is being placed on recoveries and careful risk assessment to safeguard any adverse impact in future. New products and services are being explored to enhance our business generating activities. We are fully geared to maintain this upward trend and Inshah Allah foresee to achieve better result, and to pay progressive rate of return to the certificate holders of the Modaraba.

During the current half year ended, the Modaraba besides focusing on Ijarah also financed under Morabaha and Musharika arrangement. The Modaraba is entering equity market also and studying possibility of financing in Livestock sector too which is highly profitable sector. Hopefully, it will yield better result in the year ending June 30, 2015. In order to compete with institutions offering Islamic base funding, we need to offer competitive profit rates to retain good clientele.

Acknowledgments

The Modaraba has enjoyed the invaluable guidance and support of the Registrar Modarabas and the Securities & Exchange Commission of Pakistan during the period under review and wishes to enjoy the same in future as well. The sincere and efficient efforts of the staff are also appreciated.

For and on behalf of the Board.
Chief Executive

Saiyed Faiq Hussain
Karachi: February 20, 2015



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FIRST ISLAMIC MODARABA

Introduction

We have reviewed the accompanying condensed interim balance sheet of FIRST ISLAMIC MODARABA as at December 31, 2014, the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period ended (here-in-after referred to as the "interim financial information"). Management of Modaraba Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualifications

(a) As disclosed in note 8.1 of in the interim financial information, Short term Morabaha Finance of Rs. 2.203 million was extended by the Modaraba in the year 2000. However, provision against such overdue facility as required in Regulation 5 of Part III of the Prudential Regulations of Modarabas has not been made in these condensed interim financial information. In addition, execution of the decree obtained against this facility is pending since 2003.

(b) As disclosed note 10.2 in the interim financial information, in 2005, the Modaraba had extended short term Musharaka Finance of Rs. 45 million to three parties. The amount of finance is still outstanding in the condensed interim financial information and requires full provision against such overdue advances as required by regulation 5 of Part III of Prudential Regulation for Modarabas. No such provisions against short term financing have been made in these condensed interim financial information.

(c) As disclosed in note 11.1 in the interim financial information, the Modaraba provided Rs. 9.579 million of mark up free funds in the previous years to the previous Modaraba Management Company namely Islamic Investment Bank Limited, in contravention of section 17 (2) of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, and Rule 31 of the Modaraba Companies and Modaraba Rules, 1981 and Regulation 7(3) of Section A of Part II of Prudential Regulations for Modarabas. The said amount is overdue and provision in accordance with the requirements of Regulation 5 of Part III of the Prudential Regulations for Modarabas against the outstanding balance has not been made in these condensed financial information.

(d) We were not provided with the records pertaining to pending or completed tax assessments of the Modaraba as of and before June 30, 2013. Therefore, the advance tax deducted at source, sales tax adjustment and provision for taxation amounting to Rs. 3,040,173, Rs. 401,161 and Rs. 333,855 respectively remains unconfirmed in these condensed interim financial information.

Conclusion

Our reviewed indicates that, because of the significant matters stated in the preceding paragraphs, this interim financial information does not prepare fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Other matters

The figures for the quarters ended December 31, 2014 and December 31, 2013 in the condensed interim profit and loss account has not been reviewed and we do not express a conclusion on them.

The comparative figures of condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the half year ended December 31, 2013 have been extracted from the condensed interim financial information for the half year ended December 31, 2013 which were not reviewed and we do not express a conclusion on them.

Karachi; Dated : February 20, 2015

Avais Hyder Liaquat Nauman
Chartered Accountants
Adnan Zaman



FIRST ISLAMIC MODARABA
An Islamic Financial Institution

CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2014

ASSETS	Note	Reviewed Dec. 2014 Rupees	Audited June 2014 Rupees
NON CURRENT ASSETS			
Property and equipment - owned	5	44,314	55,096
Property, plant and equipment - Ijarah	6	35,558,469	14,153,077
CURRENT ASSETS			
Investments - held for trading	7	7,861,404	7,313,571
Short term morabaha finance	8	2,202,682	2,202,682
Short term modaraba finance	9	20,000,000	45,000,000
Short term musharaka finance	10	45,000,000	45,000,000
Advances and other receivables	11	13,166,697	14,072,930
Cash and bank balances		15,263,982	4,583,277
		103,494,764	118,172,460
TOTAL ASSETS		139,097,547	132,380,633
LIABILITIES			
NON-CURRENT LIABILITIES			
Security deposits against Ijarah		6,244,900	1,502,800
CURRENT LIABILITIES			
Accrued and other liabilities		2,958,210	3,097,320
Provision for taxation		404,055	404,055
Unclaimed profit distribution		984,649	984,649
Management fee payable		380,709	169,317
Sales tax on management fee		60,914	27,091
TOTAL LIABILITIES		4,788,537	4,682,433
NET ASSETS		128,064,109	126,195,400
REPRESENTED BY			
CAPITAL AND RESERVES			
Authorized certificate capital			
14,000,000 (June 30, 2014: 14,000,000) modaraba certificates of Rs. 10 each		140,000,000	140,000,000
Certificate holders' equity			
Certificate capital	12	100,000,000	100,000,000
Statutory reserve		15,522,231	15,522,231
Accumulated profit		12,541,878	10,673,169
		28,064,109	26,195,400
CONTINGENCIES & COMMITMENTS			
	13	-	-
		128,064,109	126,195,400

These annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Popular Islamic Modaraba Management Company (Private) Limited
(Management Company)

CHIEF EXECUTIVE

DIRECTOR



FIRST ISLAMIC MODARABA
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CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2014

Note	Half year ended		Quarter ended	
	December 2014	December 2013	December 2014	December 2013
	Reviewed	Un-reviewed		
Rupees.....			
Income	14 7,211,706	2,936,642	4,059,738	1,365,197
Operating expenses	(1,895,007)	(1,692,189)	(915,291)	(1,116,813)
Depreciation of Ijarah assets	(3,750,608)	-	(2,271,513)	-
Operating profit	1,566,091	1,244,453	872,934	248,384
Unrealized gain on re-measurement of investments at fair value through profit or loss	547,833	-	-	-
Profit before management fee	2,113,924	1,244,453	872,934	248,384
Management fee	(211,392)	(124,445)	(87,293)	(24,838)
Sales tax on management fee	(33,823)	(19,911)	(13,967)	(3,974)
Profit before taxation	1,868,709	1,100,096	771,674	219,571
Taxation	-	-	-	-
Profit after taxation	1,868,709	1,100,096	771,674	219,571
Other comprehensive income	-	-	-	-
Total comprehensive income	1,868,709	1,100,096	771,674	219,571
Earnings per certificate - basic & diluted	0.19	0.11	0.08	0.02

These annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Popular Islamic Modaraba Management Company (Private) Limited
(Management Company)

CHIEF EXECUTIVE

DIRECTOR



CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half year ended	
	Reviewed Dec. 2014 Rupees	Un Reviewed Dec. 2013 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,868,709	4,547,519
Adjustments for:		
Dividend income	-	(889,200)
Reversal against diminution in value of investment	(547,833)	(738,879)
Depreciation expense	10,782	-
Depreciation of assets leased out under Ijarah	3,750,608	-
	<u>3,213,557</u>	<u>(1,628,079)</u>
Operating profit before working capital changes	5,082,266	2,919,441
Decrease in current assets		
Advances and other receivables	906,233	-
Increase / (decrease) in current liabilities		
Accrued & other liabilities	(139,111)	(452,902)
Management fee payable	211,392	-
Sales tax on management fee	33,823	-
	<u>106,104</u>	<u>(452,902)</u>
Cash flow after working capital changes	6,094,605	2,466,539
Dividend received	-	889,200
Tax paid	-	(281,077)
	-	608,123
Net cash generated from operating activities	6,094,605	3,074,661
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets - ijarah	(25,156,000)	-
Security deposit from ijarah	4,742,100	-
Investment in modaraba finance	25,000,000	-
Net cash used in investing activities	4,586,100	-
CASH FLOW FROM FINANCING ACTIVITIES		
Net increase in cash & cash equivalent	10,680,705	3,074,661
Cash and cash equivalents at the beginning of the period	4,583,277	58,160,917
Cash and cash equivalents at the end of the period	<u>15,263,982</u>	<u>61,235,578</u>

For Popular Islamic Modaraba Management Company (Private) Limited
(Management Company)

CHIEF EXECUTIVE

DIRECTOR



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2014

	Certificate Capital	Statutory Reserve	Accumulated profitRupees.....	Total
Balance as at July 01, 2013 (Audited)	100,000,000	15,236,919	9,531,921	124,768,840
Profit for half year ended	-	-	1,100,096	1,100,096
Balance as at December 31, 2013 (Un-reviewed)	<u>100,000,000</u>	<u>15,236,919</u>	<u>10,632,017</u>	<u>125,868,936</u>
Balance as at July 01, 2014 (Audited)	100,000,000	15,522,231	10,673,169	126,195,400
Profit for the half year ended	-	-	1,868,709	1,868,709
Balance as at December 31, 2014 (Reviewed)	<u>100,000,000</u>	<u>15,522,231</u>	<u>12,541,878</u>	<u>128,064,109</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.

For Popular Islamic Modaraba Management Company (Private) Limited
(Management Company)

CHIEF EXECUTIVE

DIRECTOR



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2014**

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 First Islamic Modaraba is a multipurpose, perpetual Modaraba formed under the Modaraba and Modaraba (floatation and control) Ordinance, 1980 and the rules framed there under and is managed by the Popular Islamic Modaraba Management Company (Private) Limited (formerly by Islamic Investment Bank Limited - under liquidation), a company incorporated in Pakistan under the Companies Ordinance, 1984 and registered with Registrar of Modaraba Companies. The registered office of the modaraba is situated at 813, 8th Floor, Chappal Plaza, Hasrat Mohani Road, Off I.I.Chundrigar Road, Karachi. The Modaraba is listed on the Islamabad Stock Exchange.

The Modaraba is engaged in various Islamic modes of financing and business including leasing, musharaka, murabaha arrangements, trading in listed securities and other commodities.

1.2 In the year 2013, Popular Islamic Modaraba Management Company (Private) Limited purchased the entire shareholding of Islamic Investment Bank Limited (Management Company) along with management and assets of the "First Islamic Modaraba" and the same has been confirmed by the Peshawar High Court vide its order dated March 11, 2013.

1.3 First Islamic Modaraba has been dormant since 2005. The Popular Islamic Modaraba Management Company (Pvt) Ltd. has acquired First Islamic Modaraba in 2013 from Peshawar High Court, and it is in the stage of revival. The official liquidator has also not transferred the related records to the new management. The management is however struggling hard at different fronts to revive it. New management is pursuing recovery cases at different courts vigorously. The equity has been almost fully invested, and as of June 30, 2014, there is no default. FIM is opening new venues for investment like share trading. FIM is also exploring possibilities to finance new sector like live stock farming etc., which are purely Islamic and highly profitable. The management company is also planning fresh injection of equity in the First Islamic Modaraba.

2. STATEMENT OF COMPLIANCE

2.1 The condensed interim financial information for the six months period ended December 31, 2014 have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan and the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modaraba and directives issued by Security and Exchange Commission of Pakistan (the Modaraba regulations). The condensed interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Modaraba's annual Financial Statements for the year ended June 30, 2014. The figures for the half year ended December 31, 2014 have been subjected to limited scope review by the auditors as required by the Code of Corporate Governance.

2.2 This condensed interim financial information comprises of the condensed interim balance sheet as at December 31, 2014 and the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity and the notes forming part thereof for the half year ended December 31, 2014 which have been subjected to a review but not audited.

2.3 The comparative condensed balance sheet, presented in this condensed interim financial information, as at June 30, 2014 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2014 whereas the comparative condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the half year ended December 31, 2013 have been extracted from the condensed interim financial information for the half year ended December 31, 2013 which were not reviewed due to the being in the liquidation stage.



3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Modaraba in the preparation of these condensed interim financial information are the same as those applied in preparation of the preceeding published financial statements of the Modaraba for the year ended June 30, 2014

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing the condensed interim financial information, the significant judgments made by management in applying the Modaraba's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceeding published annual financial statements of the Modaraba as at and for the year ended June 30, 2014.

Note	Reviewed December 31, 2014 Rupees	Audited June 30, 2014 Rupees
5. PROPERTY AND EQUIPMENT - OWNED		
Opening balances	55,096	-
Additions	-	71,150
Depreciation for the period	(10,782)	(16,054)
Total	<u>44,314</u>	<u>55,096</u>

There have been no disposal of fixed assets during the current interim period under review.

6. PROPERTY AND EQUIPMENT - IJARAH

Opening balances	14,153,077	-
Additions	25,156,000	15,028,000
Depreciation for the period	(3,750,608)	(874,923)
Total	<u>35,558,469</u>	<u>14,153,077</u>

There have been no disposal of Ijarah assets during the current interim period under review.

6.1 Following is the detail of the additions during the period:

Equipment	-	9,328,000
Vehicles	25,156,000	5,700,000
	<u>25,156,000</u>	<u>15,028,000</u>

7. INVESTMENTS - HELD FOR TRADING

The holding in units of Rs. 10/- each is as under:

Dec, 31, 2014 Number of Units	June, 30 2014		Reviewed December 31, 2014 Rupees	Audited June 30, 2014 Rupees
547,833	547,833	Meezan Balanced Fund	7,861,404	7,313,571



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	Note	Reviewed December 31, 2014 Rupees	Audited June 30, 2014 Rupees
8. SHORT TERM MORABAHA FINANCE			
Considered doubtful - secured	8.1	2,202,682	2,202,682
Considered doubtful - unsecured		-	-
		<u>2,202,682</u>	<u>2,202,682</u>
Less: Provision for doubtful Morabaha finance		-	-
		<u>2,202,682</u>	<u>2,202,682</u>

8.1 This represents overdue morabaha finances granted to a party in the year 2000 secured against mortgage of property. Banking court No. 1 Karachi decreed the suit filed for recovery of finance against the said parties. In this case, decree was awarded amounting to Rs. 2.3 million with cost and markup at a rate of 8% per annum from the date of filing of suit in the year 2002 till payment of the entire amount. The application for execution of the decrees is pending since the year 2003 and 2004. The property in question was last valued in the year 2001. Since the Modaraba has been taken over by the new management, they are following up the matter vigorously at the court level. The current management is confident for the recovery of the said amount.

9. SHORT TERM MODARABA FINANCE

	Note	Reviewed December 31, 2014 Rupees	Audited June 30, 2014 Rupees
Considered Good - secured	9.1	20,000,000	45,000,000
Considered Good - unsecured		-	-
Considered doubtful - unsecured		-	-
		<u>20,000,000</u>	<u>45,000,000</u>
Less: Provision for doubtful Modaraba finance		-	-
		<u>20,000,000</u>	<u>45,000,000</u>

9.1 SHORT TERM MODARABA FINANCE

	Reviewed December 31, 2014	Audited June 30, 2014	Reviewed December 31, 2014	Audited June 30, 2014	Reviewed December 31, 2014	Audited June 30, 2014
	Considered Good		Considered Doubtful		Total	
Considered Good - secured						
Principal	20,000,000	30,000,000	-	-	20,000,000	30,000,000
Profit	-	-	-	-	-	-
Subtotal	<u>20,000,000</u>	<u>30,000,000</u>	-	-	<u>20,000,000</u>	<u>30,000,000</u>
Considered Good - unsecured						
Principal	-	15,000,000	-	-	-	15,000,000
Profit	-	-	-	-	-	-
Subtotal	-	<u>15,000,000</u>	-	-	-	<u>15,000,000</u>
Less: Provision for doubtful Modaraba finance	-	-	-	-	-	-
	<u>20,000,000</u>	<u>45,000,000</u>	-	-	<u>20,000,000</u>	<u>45,000,000</u>

9.1.1 The return on modaraba finances ranges from 13.5 to 17% per annum. These are secured against post dated cheques, demand promissory notes and mortgage of property.



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	Note	Reviewed December 31, 2014 Rupees	Audited June 30, 2014 Rupees
10 SHORT TERM MUSHARAKA FINANCE			
Considered Good - secured	10.1	5,000,000	5,000,000
Considered Good - unsecured	10.2	40,000,000	40,000,000
Considered doubtful - unsecured		-	-
		<u>45,000,000</u>	<u>45,000,000</u>
Less: Provision for doubtful Musharaka finance		-	-
		<u>45,000,000</u>	<u>45,000,000</u>

10.1 This represents funds provided to a customer (2006: Rs. 2.5 million and 2005: 2.5 million) under Musharika arrangements for working capital requirements of profit and loss sharing basis. The expected rate of profit is 14% (June 30, 2014: 14%) per annum. These are secured against hypothecation of stocks.

10.2 This represents amount disbursed in the year 2005 to two NBFCs for 180 days as musharika finance - unsecured on profit and loss basis carrying estimated profit of 9 to 10.9% (June 30, 2014: 9% to 10.9%) per annum. The NBFCs have not repaid the finance or profit thereon on the plea that an equivalent amount is due by the Modaraba company to them and this be set off. Since the management of the Modaraba has changed in the current year, they are taking up the recovery proceedings at the court level and are of the view that recoveries will be made in due course of time from the parties otherwise, the said amount will be provided accordingly in the subsequent periods.

11 ADVANCES AND OTHER RECEIVABLES

Considered good		
Tax deducted at source	3,040,173	3,040,173
Accrued profit on:		
Musharaka finances	20,683,331	20,683,331
Less: Profit Suspended	(20,683,331)	(20,683,331)
	-	-
PLS accounts		
Assets leased out	9,547,000	9,547,000
Less: Profit Suspended	(9,547,000)	(9,547,000)
	-	-
Sales tax adjustment	401,161	401,161
Dividend receivable	-	-
Accrued markup	-	-
	-	-
Other receivable	145,853	13,087
Less: Amount written off	-	-
	<u>145,853</u>	<u>13,087</u>
	<u>3,587,187</u>	<u>3,454,421</u>
Considered doubtful		
Other receivable	640,803	640,803
Less: provision for doubtful receivable	(640,803)	(640,803)
	-	-
Receivable from former modaraba management company	9,579,509	9,579,509
Advance to suppliers	-	1,039,000
	<u>13,166,696</u>	<u>14,072,930</u>



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11.1 During the period, the management of the Modaraba has changed and the new management has acquired the assets of Modaraba from the liquidator. On correspondence with the liquidator it was found that the liquidator did not receive any records regarding tax assessments from the previous management. The current management is looking into the tax matters and corresponding with the Federal Board of Revenue (FBR) to resolve this issue of outstanding tax balances. These balances will be adjusted accordingly as and when response from FBR is received.

11.2 This represents the funds transferred to Islamic Investment Bank Limited (former modaraba management company) through cheques amounting to Rs. 26.438 million during the period from August 03, 2004 to June 30, 2007. The modaraba received repayment of Rs. 16.841 million from management company upto June 30, 2008. The balance due as at December 31, 2014 amounted to Rs. 9.579 million (June 30, 2014: 9.579 million). Current management company has lodged a claim with the official liquidator regarding the recovery of said amount and are confident for the recovery of it.

12. CERTIFICATE CAPITAL

Reviewed December 31, 2014 Rupees	Audited June 30, 2014 Rupees		Reviewed December 31, 2014 Rupees	Audited June 30, 2014 Rupees
10,000,000	10,000,000	Modaraba certificates of Rs. 10 each fully paid-up in cash	10,000,000	10,000,000

13. CONTINGENCIES & COMMITMENTS

There are no known contingencies & commitments as at December 31, 2014

14. INCOME

	Reviewed December 31, 2014 Rupees	Un Reviewed December 31, 2013 Rupees
Income on Ijarah	4,498,022	-
Income on Modaraba	2,414,183	-
Income on Morabaha	-	-
Profit on Barkat Islamic Investment Certificates	-	2,187,657
Profit on Deposit accounts	289,501	46,985
Dividend income	-	702,000
Other Income	10,000	-
	<u>7,211,706</u>	<u>2,936,642</u>

15. TRANSACTIONS WITH RELATED PARTIES

Balances with related parties at the end of the period are as follows:

Payable to related parties Management company	215,392	124,445
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16. FINANCIAL RISK MANAGEMENT

The modaraba's financial risk management objectives and policies are consistent with that disclosed in the financial statements for the year ended June 30, 2014.

17. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue by the Board of Directors of the Modaraba Management Company on February, 20, 2014.

18. GENERAL

Figures have been rounded off to the nearest rupees.

For Popular Islamic Modaraba Management Company (Private) Limited
(Management Company)

CHIEF EXECUTIVE

DIRECTOR

If undelivered please return to :
First Islamic Modaraba
813 Chappal Plaza, Hasrat Mohani Road, Off. I.I. Chundrigar
Road, Karachi-74000, Pakistan



First Islamic Modaraba

An Islamic Financial Institution

**HALF YEAR ENDED
DECEMBER 31, 2014**

Managed by :

Popular Islamic Modaraba
Management Company (Pvt.) Ltd
